## OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.

## DISCLAIMER



## FAIR USE POLICY



## CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria
Tel: (+43-1) 26026-0 · www.unido.org · unido@unido.org

05856

United Nations Industrial Development Organization

ID

Distr.
LIMITED

ID/WG.192/12
15 October 1974

Original: ENGLISH

First Training Programme on the Production and Application of Synthetic Fibres

Vienna, Austria, 7 - 30 October 1974

Textile industry in the ... with sp. ref. to Syn. fibre

# PRESENT STATUS AND FUTURE PLANS OF THE DEVELOPMENT OF THE SYNTHETIC FIBRE INDUSTRY IN THE PHILIPPINES 1/

by

R. C. Alfonso *

* Science Technologiest, Philippine Textile Research Institute, Manila.

1/ The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO. This document has been reproduced without formal editing.

id.74-6710

## INTRODUCTION

### The Philippine textile industry

From a broad prospective, the textile industry is composed of 125 mills of all types. These mills include:

15 fully integrated textile mills
8 spinning and weaving mills
3 spinning with knitting and/or thread mills
94 independent knitting, weaving, hosiery, twine and fishing net manufacturers.

The total investment of the industry is well over one billion pesos. Approximately 55 per cent of the total assets represents investments in plant and equipment.

The textile industry's growth is steady and rapid. From 38,000 spindles and 2,130 weaving looms in 1956, the industry capacity increased to about 900,000 spindles and 13,000 automatic looms in 1973.

The industry's total yarn production was estimated at 143 million pounds in 1969; in 1970 the production was 140 million. The total weaving production is about 400 million yards. The knitting sector of the industry attained a record increase in production of 15 million kilos in 1970.

Imports of raw fibres and yarns by the industry amounted to 37.3 million dollars in 1969 and 39.1 million dollars in 1970. Yarn imports consist mostly of synthetic yarns, either spun or filaments for weaving, knitting, hosiery, etc.

### Textile domestic market

The estimated average per capita consumption of textiles is 20 square yards a year broken down to 15.2 square yards of woven fabrics (76 per cent) and 4.8 square yards of knitted fabrics (24 per cent) including hosiery.

On the assumption that the per capita consumption will remain steady at twenty square yards, it is estimated that the total national requirement will be 773.6 million square yards by the year 1972 and 851 million square yards by 1975.

## The export market

There is a very encouraging trend in the exports of textile products increasing from $215,000 in 1969 to $953,000 in 1970. In the first half of 1971 the export rose to $2,866,000.

## Prospects of the industry

The prospects of the textile industry both in the domestic and export market are indeed very bright. While some years ago the industry was already considered overcrowded, this is not the situation today. Apparent improvements in the operation of the textile industry are due to the rise in demand as a result of increase in population; control of smuggling and the downward trend in the importation of textile fabrics, including remnants.

## The synthetic fibre industry

### Polyamide (nylon 6)

Several years ago, hosiery manufacturers depended solely on importation of raw material such that by the 1970's, a group of hosiery manufacturers combined resources and decided to purchase and install a nylon 6 factory to cater to their nylon 6 requirement. These manufacturers are the following:

Amigo Hosiery Mills
Universal Mills Inc.
Manila Bay Hosiery Mills.

Sometime in 1971, the "Texfiber Corporation" was established and a nylon 6 factory was purchased from the Zimmer Corporation in Germany. The daily output was about 2 tons. Caprolactam was imported from Japan.

Lately, the Board of Investment of the Philippine Government approved a proposed joint venture by the Imperial Textile Mills and the Toray Industries Corporation of Japan. The Philippine Polyamide Industrial Corporation was thus organized and expected to produce 6,000 metric tons of nylon 6 in 1975.

Polyester

In the 1970's, the popularity of polyester fibres by the Philippine textile industry followed the worldwide trend. Its principal inherent property of being crease resistant caught the fancy of end-users. Importation of polyester fibres and filaments increased significantly, such that in 1972, three of the biggest textile integrated mills decided to combine resources and organized the first polyester Corporation in 1973. These mills are:

The Universal Mills Corporation
Artex Development Corporation
General Textile Mills.

Thus, the first polyester corporation was born and named "Filsyn" Filipinas Synthetic Fibre Corporation. This organization was a joint venture with the Japanese "Teijin" Industries Corporation, manufacturers of the Japanese brand polyester fibre "Tetoron". Production was about 15 tons daily.

By the end of 1973, the Board of Investment approved the organization of another polyester plant proposed by the Riverside Textile Mills, which is the biggest textile mill in the country in terms of machine capacity; the corporation thus formed was the Lakeview Polyester Corporation. Equipment was European and is presently under construction and installation and expected to operate by 1975. Production capacity is about 20 tons daily. Raw materials as in the case of the Filsyn will be imported from Japan.

Polyacrylic

In the early 1960's, American sport shirts with "banlon" were introduced in the country and became popular. The cost was rather prohibitive and only those who could afford could buy as it was quite expensive. This was the introduction of acrylics in the country. Later, the Continental Manufacturing Corporation which is manufacturing sewing threads started manufacturing sport shirts using the Japanese brand acrylic "vonnel". Using promotion marketing methods, the sales caught fire with the end-users.

The Ramie Textile Mills followed using a different brand of Japanese acrylic named "cashmilon" and followed later by the Mabuhay Textile Mills using another Japanese brand "exlan". The three manufacturers do not have extrusion plants, but merely imported from Japan the fibres in "tops" form and thence produce the knitting yarns in their spinning mills using the worsted system.

At the outset, these Japanese acrylics manufactured into garments as sport shirts and ladies' dress materials became popular. Later, end-users realised that the basic property of acrylics is its warmth when worn and sales became less. However, the manufacturers turned to the export market as their new outlet and Philippine made garments made from acrylic yarns are now being exported to Europe.

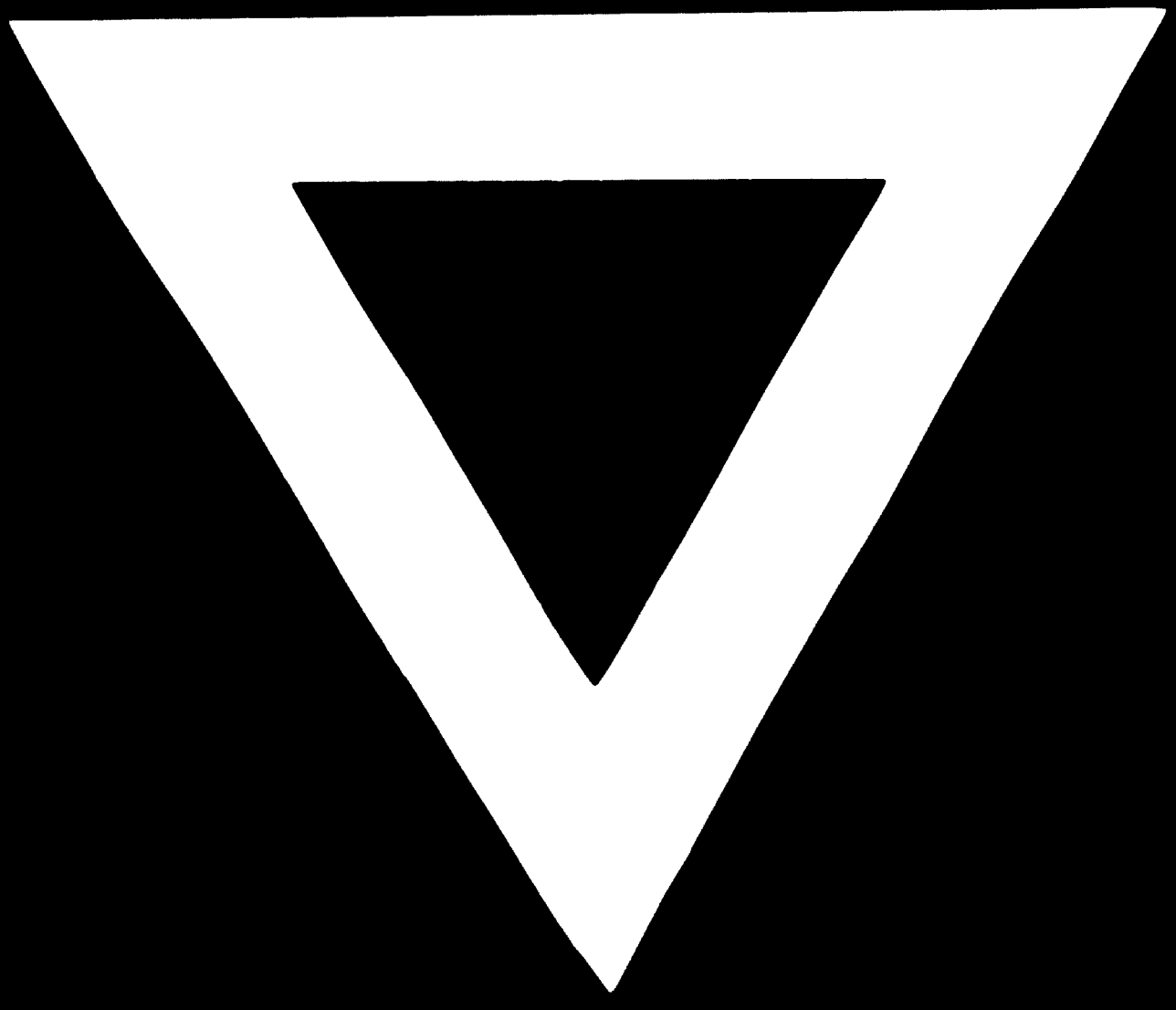
Problems of the synthetic fibre industry

In the absence of a petro-chemical industry the Philippine synthetic fibre industry had to rely and depend on imports from Japan for their raw material requirements.

The potential market is big and getting bigger due t. increasing population and demands of the export trade.

With a growing healthy economy, since the imposition of martial law in the country, foreign investments and investors are coming in from foreign sources and perhaps it may not be amiss to predict that the dilemma of the Philippine synthetic fibre industry would eventually be solved.

[redacted]



75.06.06